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25X1

3. A DISCUSSION ENSUED IN WHICH [] SOUGHT
GENERAL WALTERS' VIEWS ON CHINA AND EXPRESSED HIS OWN TO THE
EFFECT THAT CHINA, JAPAN AND THE USSR ARE INVOLVED IN AN EQUATION
WHICH HAS SEEN MANY CHANGES OVER THE LAST CENTURY^R AND A HALF BUT
ONE IN WHICH TWO OF THESE NATIONS SOUGHT TO ALLY THEMSELVES
AGAINST THE THIRD IN VARYING COMBINATIONS. GENERAL WALTERS QUOTED
SUN TZU ON THE THEORY OF WINNING WITHOUT FIGHTING AND BOTH AGREED
THAT OVERT AGGRESSION FOR TERRITORIAL EXPANSION ON THE PART OF
CHINA WAS NOT LIKELY FOR THE NEXT SEVERAL YEARS. HOWEVER,
SUBVERSIVE EFFORT IN BEHALF OF INDIGENOUS DISSIDENT GROUPS IS
MORE LIKELY. GENERAL WALTERS ALSO EXPRESSED THE OPINION THAT
WHEN CHINA BECAME EXPANSIONIST IT WOULD MORE LIKELY EXPAND TO
THE NORTH AND WEST RATHER THAN TO THE SOUTH, BUT THAT THIS WAS
PROBABLY A GOOD MANY YEARS DISTANT.

25X1

4. [] STATED HIS PERCEPTION THAT THE []
HAVE BECOME A TOOL OF THE RUSSIANS AND ARE ATTEMPTING TO ESTABLISH
A SOUTHERN BELT OF INFLUENCE EXTENDING THROUGH []
[] SAID THAT HE THOUGHT THIS WAS A PROBLEM DESERVING
GREATER INTELLIGENCE ATTENTION.

25X1

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5. [] ALSO INQUIRED ABOUT [] AND ITS POTENTIAL FOR

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MISCHIEF OR THE CREATION OF STABILITY IN THE [REDACTED]

25X1

GENERAL WALTERS POINTED OUT THAT [REDACTED] HAS TWO PROBLEMS: THE

25X1

FIRST IS THAT [REDACTED]

AND [REDACTED] BECAME INDUSTRIALIZED IN THIS PERIOD. THE

SECOND PROBLEM IS [REDACTED] ATTEMPT TO ACHIEVE INSTANT DEVELOPMENT

WITHOUT BUILDING AN APPROPRIATE INFRASTRUCTURE OF MANPOWER AS

WELL AS OF MATERIEL. GENERAL WALTERS POINTED OUT THE FALLACY OF

ATTEMPTING TO IMPORT MAJOR FACTORS SUCH AS STEEL MILLS WHOLESALE

WITHOUT FIRST TRAINING BOTH THE TECHNICIANS AND THE MANAGERS WHO

ARE NECESSARY TO PLACE THE MILLS INTO ECONOMIC PRODUCTIVITY. HE

ADDED THAT SOME COUNTRIES HAVE ALSO TRIED TO ADAPT AMERICAN

MANAGEMENT PROCEDURES WHOLESALE AND FOUND THAT THEY DID NOT FIT

THE OBJECTIVE AND CULTURAL CIRCUMSTANCES EXISTING IN THE COUNTRY

OF IMPORTATION. HE ALSO STRESSED THAT TECHNICIANS AND MANAGERS,

FOR THE MOST PART, SHOULD BE TRAINED ON-THE-GROUND WHERE THEY

ARE GOING TO WORK AND NOT SENT TO INDIANA SO AS TO PREPARE

FOR RUNNING A FACTORY IN AFGHANISTAN.

6. [REDACTED] ADMITTED THAT [REDACTED] HAD

ENCOUNTERED JUST SUCH DIFFICULTIES, BUT PROFESSED THAT [REDACTED]

NEEDED HELP IN ORDER TO REACH THAT POINT OF DEVELOPMENT AT WHICH

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25X1 [] COULD SAY "NO" TO BIG POWER PRESSURE, GENERAL WALTERS
 25X1 URGED THAT SUCH HELP BE SOUGHT IN THE FORM OF FOREIGN INVESTMENT
 25X1 WHICH IN [] FOR INSTANCE, AMOUNTED TO APPROXIMATELY THREE
 BILLION DOLLARS ANNUALLY.

7. THERE WAS A BRIEF DISCUSSION OF []
 25X1 ROLE IN THAT COUNTRY. GENERAL WALTERS NOTED THAT AMERICAN PUBLIC
 25X1 OPINION HAD HARDENED SINCE [] SINCE AMERICANS FIND IT MORE
 THAN A LITTLE DISTASTEFUL TO BE AFFRONTED [] HE
 25X1 ADDED THAT IT WAS HIS PERSONAL OPINION THAT [] COTINUED
 TO BE ADVENTURISTIC SOMETHING WOULD HAVE TO BE DONE ABOUT IT AND
 AMERICAN PUBLIC OPINION WOULD SUPPORT NECESSARY ACTION.

3. GENERAL WALTERS ALSO NOTED HIS CONCEPTION OF []
 25X1 [] AS BEING SIMILAR TO THAT OF THE UNITED STATES AND NATO.
 25X1 IN RELATION TO THE OTHER [] NATIONS, [] IS CLEARLY THE
 25X1 [] AND MUST ASSUME THE ROLE OF BALANCE WHEEL IN THE ENTIRE
 ARRANGEMENT. HE SAID THE UNITED STATES WELCOMES THIS KIND OF
 REGIONAL ARRANGEMENT, WHICH HELPS TO PRODUCE REGIONAL SECURITY
 AND DEVELOPMENT TO THE BENEFIT OF ALL INVOLVED AS WELL AS TO
 THE BENEFIT OF THE UNITED STATES.

9. [] EXPRESSED HIS APPARENTLY SINCERE HOPE

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25X1 THAT GENERAL WALTERS WOULD FIND ADDITIONAL OPPORTUNITIES TO
VISIT [REDACTED] AND SAID THAT HE WAS WELCOME AT ANY TIME.
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